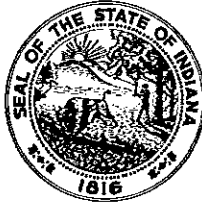


STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: Lake and St. Joseph Counties

FROM: Micah G. Vincent, Commissioner *MGV*

RE: HEA 1001: Property Taxes for Certain Debt Service Obligations and Lease Payments

DATE: June 6, 2013

On May 8, 2013, Governor Mike Pence signed into law House Enrolled Act 1001 ("HEA 1001"). Section 77 of HEA 1001, effective January 1, 2014, amends IC 6-1.1-20.6-7.5 so that the exception to the circuit-breaker credit for bonds and leases issued or entered into before July 1, 2008 in St. Joseph or Lake Counties also applies to certain bonds or leases issued or entered into to refund those preexisting obligations. This memorandum addresses this amendment. Please note that this memorandum is intended to be an informative bulletin; it is not a substitute for reading the law.

Specifically, section 77 amends IC 6-1.1-20.6-7.5 so that property taxes imposed in St. Joseph and Lake Counties

- (1) to pay debt service:
 - (A) on bonds issued before July 1, 2008; or
 - (B) on bonds that:
 - (i) are issued to refund bonds originally issued before July 1, 2008; and
 - (ii) have a maturity date that is not later than the maturity date of the bonds refunded;
- (2) to make lease payments on leases entered into before July 1, 2008, to secure bonds;
- (3) to make lease payments on leases:
 - (A) that are amended to refund bonds secured by leases entered into before July 1, 2008; and
 - (B) that have a term that is not longer than the term of the leases amended;
- or
- (4) to make lease payments on leases:
 - (A) that secure bonds:
 - (i) issued to refund bonds originally issued before July 1, 2008; and
 - (ii) that have a maturity date that is not later than the maturity date of the bonds refunded; and
 - (B) that have a term that ends not later than the maturity date of the bonds refunded;

must not be considered for purposes of calculating a person's credit.

If you have any questions, please contact Staff Attorney David Marusz at 317-233-6770 or dmarusz@dlgf.in.gov.